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6 JUN 1980

MEMORANDUM FOR: Director of Security

25X1 FROM: [REDACTED]

Deputy Director of Security

SUBJECT: Release of Polygraph Information to DISCO

Reference is made to your request for a policy review on the release of polygraph information to the Defense Industrial Security Clearance Office (DISCO).

I. BACKGROUND

The Office of Security had traditionally adhered to a strict policy which was designed to protect the sanctity of information developed in the course of polygraph examinations.

In considering the release of polygraph information to other federal agencies, the Office of Security has abided by the guidance of former DCI Helms who established a policy of safeguarding polygraph information and indicated on 21 February 1970, that release was authorized "in the interest of national security."

The former Director of Security reaffirmed our basic guidelines in a memorandum of 19 October 1977, which indicated that information obtained during the course of a polygraph examination is only released:

After the Director of Security has made a determination, which is concurred in by the Director or Deputy Director of Central Intelligence, that such a release is necessary in the interest of national security.

It is worth noting that in Fiscal Year 1974 the Office of Security disseminated information resulting from CIA-administered polygraph tests in only seven

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cases, and in each instance the individual involved was employed or assigned in a civilian or military capacity to a federal department involved in sensitive intelligence affairs or requiring sensitive information in the national interest.

Increased attention was directed toward the release of technical information to DISCO in early 1979, after we had established the industrial polygraph program, and significant information was being developed, particularly in the life-style area. The Office of Security established procedures which were to some extent modeled after the National Security Agency, and made clear to DISCO that the information was being provided "for lead purposes only."

## II. RATIONALE FOR RELEASE

In 1979 there was a sharp division of opinion as to whether we should take a liberal interpretation of "national security interests," or be quite conservative/restrictive in the release of polygraph-acquired data. The former Director of Security tended to take a liberal stance based on the following arguments:

- a. The Department of Defense Industrial Security Manual requires contractors to report to DISCO any information about a cleared individual that "may not be clearly consistent with the national interest."
- b. The industrial contractors normally know that individuals are being disqualified by CIA on security grounds, but they are not being provided with substantive details on the nature of the derogatory data.
- c. This is a CIA polygraph program, the obligation is on the Agency to pass this security information to the Department of Defense, and the burden should not rest on the contractors.
- d. The National Security Agency was in a somewhat comparable position, and they normally released polygraph-acquired data to DISCO.

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- e. We cannot restrict the release of sensitive information and run the risk of a serious security flap elsewhere in the Intelligence Community, even if it is at the Secret or Top Secret level.
- f. We are providing information for lead purposes only, and the recipient has the responsibility of adjudicating the individual case.

### III. RATIONALE FOR RETENTION

The arguments for a restrictive policy included the following:

- a. The industrial polygraph program was "sold" as an outgrowth of the Boyce/Lee case--a selective or high risk program in the Sensitive Compartmented Information (SCI) area.
- b. The Agency advised the Department of Justice that the program was designed to provide security for Sensitive Compartmented Information and the examination is narrowed to the extent necessary to protect SCI data.
- c. The Agency has advised Congress that the industrial polygraph program has focused on those contractor "employees who have access to a great body of Sensitive Compartmented Information" and are heavily involved in some of our most sensitive technical intelligence activities. We have stressed that the program is carefully managed and the information is tightly controlled.
- d. The Department of Defense in general, and DISCO in specific, have always opposed the establishment of polygraph programs in their own organizations. DoD has been less than supportive on joint projects.
- e. CIA has utilized polygraph extensively for three decades, and it is viewed as an irreplaceable security aid which has proved its worth in all facets of Security, [REDACTED]

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[REDACTED] There was a concern that an inappropriate release of polygraph-acquired information in the industrial arena could possibly jeopardize our entire program.

- f. Some of the recalcitrant industrial firms view themselves as people-oriented organizations and consider polygraph a significant invasion of personal privacy--overly intrusive. The release of sensitive information to DISCO, and the inevitable follow-up inquiries by the Defense Investigative Service, can certainly create the perception that the data is not tightly controlled. It can damage our effort to get the industrial polygraph program firmly established with major contractors.
- g. It has been our traditional security approach in investigative cases to respond to legitimate requests generated within the Intelligence Community. In this area of industrial polygraph cases, we are taking the initiative to "volunteer" information, which could be construed as a blacklist.
- h. The Office of Security traditionally adhered to a strict policy which was designed to protect the sanctity of information developed during polygraph examinations. Polygraph information was passed outside the Agency when it was deemed essential to protect national security--defined in Executive Order 12065 as "the national defense and foreign relations of the United States."

#### IV. RECENT DEVELOPMENTS

- A. A representative of the Office of Security has met with senior DISCO officials, and solid procedures have been established for the proper handling of polygraph information.
- B. No policy commitments have been made in writing to the Defense Industrial Security Clearance Office,

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but there is an understanding of established procedures, and we have an obligation to advise DISCO of major changes.

- C. A review of 11 recent cases, involving the release of polygraph information to DISCO, reflects that nine of the individuals have retained their clearances, whereas only two clearances were terminated. We learned, however, that DISCO, DIS and the Industrial Personnel Screening Board closely scrutinize these cases, and the Subjects are normally investigated and/or interviewed as part of the review process.
- D.  contacted several of the larger contractor firms which participate in the industrial polygraph program, and there seems to be an informal consensus that DISCO clearances are not being withdrawn, the entire exercise is somewhat disruptive, and they would applaud our dropping the program.
- E. We are in the process of changing our industrial polygraph program, and the proposal is being made to the Director of Central Intelligence that we focus on counterintelligence coverage while eliminating the life-style coverage. This change would undoubtedly generate fewer referrals to DISCO, and there should be a sharper focus on "national security" concerns.

#### V. RECOMMENDATIONS

- A. Be more judicious and selective in the referral of cases to DISCO, establishing a more cautious approach that is based on substantive security grounds.
- B. Make no formal changes in our arrangements with DISCO, but brief our liaison contact concerning the new emphasis on counterintelligence coverage, and the elimination of life-style questions.
- C. Continue with the existing adjudication process, whereby the appraiser makes the basic recommendation on the release of polygraph information to DISCO, and have this reviewed within the clearance chain of command to the Director of Security.

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- D. Discontinue the practice of conducting DISCO checks unless these inquiries are a substantive part of security investigation and security processing prior to polygraph testing.



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Attachments:

- A. DISCO Referrals
- B. Memo to DD/P&M from  
DC/SS/OD&E, dtd  
16 May 1980, Subj:  
DISCO Notification

cc: C/CD

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